

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Developer Wally Walenty Sadowsky
Business Address 1688-B Kaumana Drive, Hilo, Hawaii 96720

Project Name (*): KAUMANA HEIGHTS
Address: 1688-A Kaumana Drive, Hilo, Hawaii 96720

Registration No. 4160 Effective date: October 15, 2008
Expiration date: November 15, 2009

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

 PRELIMINARY: The developer may not as yet have created the condominium but has
(yellow) filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

 FINAL: The developer has legally created a condominium and has filed complete
(white) information with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____

 X **SUPPLEMENTARY:** This report updates information contained in the:
(pink) [] Preliminary Public Report dated: _____
[X] Final Public Report dated: August 4, 1999
[] Supplementary Public Report dated: _____

And [] Supersedes all prior public reports.
[X] Must be read together with Final Public Report issued August 4, 1999
~~for~~ This report reactivates the Final public report(s) which expired on September 4, 2000

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104/0107

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

☐ Required and attached to this report

☒ Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

☐ No prior reports have been issued by the developer.

☒ Changes made are as follows:

1) Changes made herein are to show the following encumbrance as a result of owner refinancing:

MORTGAGE

Loan No. 2113061 Mortgagor: WALLY WALENTY SADOWSKI, single
"MERS" MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.("MERS"), (solely as nominee for Lender, as hereinafter defined, and Lender's successors and assigns); MERS is organized and existing under the laws of Delaware

Lender: HOME LOAN CENTER, INC., dba LENDINGTREE LOANS, a
California corporation

Dated: June 06, 2006

Document No. 2006-109121

Principal Sum: \$301,000.00 The present amount due should be determined by contacting the owner of the debt.

2) Changes made herein are also to show an Amended Declaration set forth below to correct description of the Units and Adjacent Areas:

FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME "KAUMANA HEIGHTS"

Dated: February 20, 2001

Document No. 2001-033505 (NOTE: The foregoing amendment incorrectly references the Condominium Map No. as 2981.)

3) Changes made herein also show an updated Title Commitment:

Commonwealth Land Title Insurance Company

First Hawaii Title Corporation Order No. 00191552 Page 1

Escrow No. 00191552 **COMMITMENT FOR TITLE INSURANCE SCHEDULE A**

Title Commitment prepared by Mark Fukuda, Title Officer Effective Date: August 1, 2008 at 8:00 A. M.

4) Changes made herein also show the Lapse of Prior Public Report:

The Final Public Report expired on September 4, 2000. The Developer is reactivating the Project with the submission of this report. The Developer represents that both apartments are retained by the Developer and have not been sold.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Wally Walenty Sadowsky Phone: (808) 935-1502
Name* (Business)

1688-B Kaumana Drive
Business Address
Hilo, Hawaii 96720

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

Real Estate Broker*: Coldwell Banker Day-Lum Properties Phone: (808) 935-0359
Name (Business)
2 Kam Ave.
Business Address
Hilo, Hawaii 96720

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 935-6638
Name (Business)
450 Kilauea Ave.
Business Address
Hilo, Hawaii 96720

General Contractor*: Not Applicable Phone: _____
Name (Business)

Business Address

Condominium Managing Agent*: Project will be self managed by the Association. Phone: _____
Name (Business)

Business Address

Attorney for Developer: Sherrill A. Erickson Phone: (808) 933-1930
Name (Business)
82 Ponahawai Street
Business Address
Hilo, Hawaii 96720

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

<input type="checkbox"/> Proposed		
<input checked="" type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No. <u>99-053256</u>
		Book _____ Page _____
<input checked="" type="checkbox"/> Filed -	Land Court:	Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME "KAUMANA HEIGHTS" Dated: February 20, 2001 Document No. 2001-033505 (NOTE: The foregoing amendment incorrectly references the Condominium Map No. as 2981.)

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

<input type="checkbox"/> Proposed	
<input checked="" type="checkbox"/> Recorded -	Bureau of Conveyances Condo Map No. <u>2875</u>
<input type="checkbox"/> Filed -	Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME "KAUMANA HEIGHTS" Dated: February 20, 2001 Document No. 2001-033505 (NOTE: The foregoing amendment incorrectly references the Condominium Map No. as 2981.)

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

<input type="checkbox"/> Proposed		
<input checked="" type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No. <u>99-053257</u>
		Book _____ Page _____
<input type="checkbox"/> Filed -	Land Court:	Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[] There are no limited common elements in this project.

[x] The limited common elements and the apartments which use them, as described in the Declaration, are:

[x] described in Exhibit D.

[] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

[] described in Exhibit _____.

[X] as follows:

Each unit and its owner(s) shall have appurtenant thereto their proportionate share of interest in the common elements of the Project for all purposes including voting; said interest is referred to as "common interest". Unit A is thirty-four percent (34%) and Unit B has sixty-six percent (66%).

- E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit E describes the encumbrances against the title contained in the title report dated August 1, 2008 and issued by First Hawaii Title Corporation.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[x] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	Buyer's interest may be cancelled in which event Buyer will be entitled to a refund of deposits, less escrow cancellation fees.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

There are no warranties; improvements being sold "AS IS".

2. Appliances:

Buyers shall have the direct benefit of any manufacturer's or dealer's warranties covering the furnishings and appliances of the apartments.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other: Agreements, covenants and protective clauses, if any, of Ponahawai Homestead (if applicable), Farm Dwelling Notice

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 4160 filed with the Real Estate Commission on April 14, 1999.

Reproduction of Report. When reproduced, this report must be on:

[] YELLOW paper stock [] WHITE paper stock [X] PINK paper stock

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Wally Walenty Sadowsky
Printed Name of Developer

By: Wally Walenty Sadowsky
Duly Authorized Signatory*

10-7-08
Date

Wally Walenty Sadowsky, Owner
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

****Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.***

EXHIBIT E

ENCUMBRANCES AGAINST TITLE

1. Tax Key: (3) 2-5-040-021 – CPR Nos. 0001 & 0002. For real property taxes due and owing, reference is made to the Director of Finance, County of Hawaii for information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Easement in favor of others for roadway purposes in, over, along and across the following described parcel of land being portions of the parcel (LOT A) described as follows:

That certain piece or parcel of land being a portion of Lot 12, Grant 4601 to Mary E. Kaihenui, Ponahawai Homesteads, Ponohawai, South Hilo, Hawaii, being:

7.5-Foot Roadway (Parcel 5-A)

Beginning at a point at the Northwest corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Halai" being 10484.45 feet South and 12909.28 feet West, and running by azimuths measured clockwise from true South:

Along a curve to the left having a radius of 200.00 feet, the chord azimuth and distance being:

(1) 244° 19' 51.425" 8.71 feet;

(2) 243° 05' 241.50 feet;

Thence following along a curve to the left having a radius of 239.00 feet, the chord azimuth and distance being:

(3) 237° 12' 30" 48.93 feet;

(4) 231° 20' 50.64 feet;

(5) 2° 54' 10" 10.03 feet;

(6) 51° 20' 43.99 feet;

Thence following along a curve to the right having a radius of 246.50 feet, the chord azimuth and distance being:

(7) 57° 12' 30" 50.46 feet;

(8) 63° 05' 241.50 feet;

Thence following along a curve to the right having a radius of 207.50 feet, the chord azimuth and distance being:

(9) 64° 50' 6.23" 12.69 feet;

(10) 181° 38' 8.31 feet to the point of beginning and containing an area of 2,620 square feet, more or less.

4. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "KAUMANA HEIGHTS"

Dated: March 15, 1999

Document No. 99-053256

but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Condominium Map No. 2875, to which reference is hereby made.

The foregoing Declaration of Condominium Property Regime was amended by the following:
FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME "KAUMANA HEIGHTS"

Dated: February 20, 2001

Document No. 2001-033505

(NOTE: The foregoing amendment incorrectly references the Condominium Map No. as 2981.)

5. DECLARATION OF BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF KAUMANA HEIGHTS

Dated: March 15, 1999

Document No. 99-053257 to which reference is hereby made.

6. MORTGAGE

Loan No. 2113061

Mortgagor: WALLY WALENTY SADOWSKI, single

"MERS" MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.

("MERS"), (solely as nominee for Lender, as hereinafter defined, and

Lender's successors and assigns); MERS is organized and existing under the laws of Delaware

Lender: HOME LOAN CENTER, INC., dba LENDINGTREE LOANS, a
California corporation

Dated: June 06, 2006

Document No. 2006-109121

Principal Sum: \$301,000.00

The present amount due should be determined by contacting the owner of the debt.

7. Any matters which would be shown by a modern metes and bounds survey, including any possible encroachments or discrepancies in boundaries or area.